(b) whether it is a fact that in the absence of infrastructure and other linkages many foreign companies are feeling hesitant to invest in this capital intensive steel sector;

(c) if so, what facilities Government propose to provide in this regard indicating (i) dereservation of steel input in mineral bearing areas; and (ii) adequate facilities to handle volume of traffic for minerals as well as for the finished products; and

(d) what are Government's future plans for meeting the increasing demade/requirements of steel production or say up to projected level during 1992—97 period?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) to (d) There is no proposal to set up a new greenfield integrated steel plant in the public sector during 8th Five Year Plan period. It is however, proposed to modernise/expand the existing integrated steel plants in the public sector.

Under the new Industrial Policy announced in July 1991, 'Iron and Steel' has been removed from the list of industries reserved for the public sector and exempted from the requirements of compulsory licencing except for certain locational restrictions. Iron and Steel has also been recently included in the list of high priority industries which have the facility for automatic approval of foreign investment in equity upto 51 percent. Control over pricing and distribution of steel has been dispensed with. These measures are expected to attract investment from the private sector and foreign companies in the iron and steel industry.

While the mining of certain important raw materials like iron ore required for steel making is at present reserved for the public sector, there is no bar to private sector participation if the national interest so warrants. All possible assistance is also being provided to meet the emerging volume of raw material movement for setting up of new steel making capacities. Import duties on steel melting scrap and other intermediate products have also been reduced to enable the secondary sector to optimally utilise the existing capacities thereby contributing to increase in production.

The above measures are expected to result in increased production from the main producers as well as the secondary sector which would make India self-sufficient in most categories of steel by the end of 8th Five Year Plan period (1992—97).

**Iron ore purchased by Japan from Kudremukh Iron Ore Company Limited**

1731. SHRI RAMDAS AGARWAL: Will the Minister of STEEL be pleased to state:

(a) whether Government are aware that the foreign buyers including Japan of KUDREMUKH iron ore concentrates and pellets have complained that the SILICA content in the ore is much higher than the contractual agreement and the crushing strength of the pellets much lower than agreed upon;

(b) if so, the details thereof, indicating the quantity thereof in tonnes purchased by Japan from Kudremukh, during 1991-92 and reasons for not maintaining the quality standard;

(c) what was the total production by KIOCL (Kudremukh Iron Ore Company) during the last two years and the targets of production of concentrates set for 1993-94;

(d) what was the total annual expenditure incurred during 1991-92 on quality

improvement and (ii) transport and port infrastructure to handle the increased shipment; and

(e) whether Government feels that KIOCL has now turned into a profitable venture, if not, the rteasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) and (b) Some complaints have been received by Kudremukh Iron Ore Company Limited (KIOCL) about higher serlica content in iron ore concentrate and crushing strength of iron ore pellets after reduction. This is due to poorer quality of raw ore that is becoming available because of progressive mining carried out during the last decade. This quality of ore is relatively less amenable to further processing for separating silica to the levels desired. KIOCL is taking various measures such as installation of tertiary magnetic separators, floatation cells, computerised mine planning and use of alternate binders to improve the quality of supplies.

During the year 1991-92, KIOCL supplied 2.17 million tonnes of iron ore concentrate and 0.20 million tonnes of iron ore pellets to Japan.

(c) *The details are given below:*

(in million tonnes)

| | Concentrate | Pellets |
|---|---|---|
| *Actuals* | | |
| 1990-91 | 6·01 | 1·92 |
| 1991-92 | 5·85 | 2·13 |
| *Target* (Provisional) | | |
| 1993-94 | 6·50 | 2·35 |

(d) The total expenditure incurred during 1991-92 by KIOCL on quality improvements was Rs. 3.28 crores. Expenditure on transport and port infrastructure is incurred by the port authorities and not by KIOCL.

(e) KIOCL has been making profits from 1989-90 and earned the highest ever net profit of Rs. 140.27 crores in 1991-92. The accumulated losses of KIOCL which stood at Rs. 253 crores as on 31-3-89 have been brought down to only Rs. 37.01 crores as on 31st March, 1992.

**Signing of MOU by Metallurgical and Engineering Consultants (India) Limited with Ministry of Steel**

1732. DR. ABRAR AHMED:
SHRI SURESH KALMADI:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the Metallurgical and Engineering Consultants (India) Limited has signed a Memorandum of Understanding with the Union Steel Ministry envisaging a Rs. 120 crore turn-over for the year 1992-93; and

(b) if so, what are the details of MOU?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SANTOSH MOHAN DEV): (a) Yes, Sir.

(b) MECON has entered into Memorandum of Understanding with Ministry of Steel for the year 1992-93 wherein MECON is targetted to achieve a turn-over of Rs. 120 crores during 1992-93. The targetted profit (before tax) is Rs. 9 crores and net earnings in foreign exchange are targetted at Rs. 5 crores. MECON also has set a target for procuring new business to the tune of Rs. 105 crores during 1992-93.

**Export/Import of Steel Products**

1733. SHRI S.K.T. RAMACHANDRAN: Will the Minister of STEEL be pleased to state:

(a) what are the steel products alongwith quantity and value exported from India in the years 1990-91 and 1991-92;

(b) what are the steel materials imported in the years 1990-91 and 1991-92 alongwith quantity and foreign exchange incurred thereon; and